

CANADA

Seven provinces in Canada participated in the PISA 2015 financial literacy assessment: British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario and Prince Edward Island.

The results show the extent to which 15-year-old students have the financial knowledge and skills needed to make a successful transition from compulsory schooling into higher education, employment or entrepreneurship. For many 15-year-olds, finance is part of everyday life, as they are already consumers of financial services, such as bank accounts, and earn money from formal or informal small jobs. As they near the end of compulsory education, students will face complex and challenging financial choices, including whether to continue with formal education and, if so, how to finance such study.

Students in the participating Canadian provinces score above the average of the 10 OECD countries and economies that were assessed in financial literacy in 2015 [Figure IV.3.2].

Some 22% of students in the participating Canadian provinces are top performers in financial literacy [Table IV.3.2], meaning that they are proficient at Level 5 (compared to 33% in Beijing-Shanghai-Jiangsu-Guangdong [China] and 12% on average across the participating OECD countries and economies). These students can analyse complex financial products, solve non-routine financial problems and show an understanding of the wider financial landscape. For instance, students performing at Level 5 are able to answer a question like BANK ERROR – Question 1 (available at <http://www.oecd.org/pisa/test>), which asks them to identify and respond appropriately to a financial scam e-mail message.

Some 13% of students in the participating Canadian provinces do not reach the baseline level of proficiency (Level 2) in financial literacy (compared to 9% in Beijing-Shanghai-Jiangsu-Guangdong [China] and 22% on average across the participating OECD countries and economies) [Table IV.3.2]. At best, these students can identify common financial products and terms, recognise the difference between needs and wants, and make simple decisions on everyday spending in contexts that they are likely to have experienced personally. For instance, students performing below Level 2 in financial literacy can, at best, answer a question like INVOICE – Question 1 (available at <http://www.oecd.org/pisa/test>), which asks them to recognise the purpose of an everyday financial document, such as an invoice.

In the participating Canadian provinces, students perform better in financial literacy than students around the world who perform similarly in mathematics and reading [Table IV.3.11].

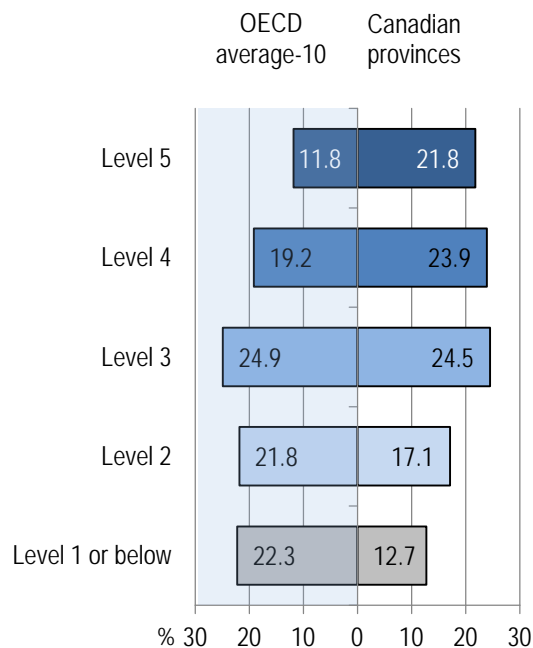
The participating Canadian provinces combine above-OECD average performance and below-OECD average strength of the association between performance and socio-economic status, as only 7% of the variation in student performance in financial literacy is associated with socio-economic status (10% on average across OECD countries/economies) [Figure IV.4.7].

In the participating Canadian provinces, 78% of 15-year-old students have a bank account. These students score 31 points higher in financial literacy than students of similar socio-economic status who do not hold a bank account [Tables IV.5.8 and IV.5.13].

PISA defines financial literacy as “...knowledge and understanding of financial concepts and risks, and the skills, motivation and confidence to apply such knowledge and understanding in order to make effective decisions across a range of financial contexts, to improve the financial well-being of individuals and society, and to enable participation in economic life”. For a full explanation, see the [PISA 2015 Assessment and Analytical Framework](#).

Performance in financial literacy

Students at each level of proficiency in financial literacy



Source: OECD, PISA 2015 Database, Table IV.3.2.

- Students in the participating Canadian provinces score above the average of the 10 OECD countries and economies that were assessed in financial literacy in 2015 [Figure IV.3.2]. With a mean score of 533 points, the Canadian provinces, as a single entity, ranks between 2nd and 3rd among all 15 participating countries and economies [Figure IV.3.3].
- Average performance in the participating Canadian provinces in 2015 is not significantly different from the average performance in the Flemish Community of Belgium [Figure IV.3.2].
- Across the seven provinces that took part in the financial literacy assessment, British Columbia scores above the national average (by 17 points), while New Brunswick and Manitoba score below average.

Student performance in financial literacy in comparison with performance in reading and mathematics

- In the participating Canadian provinces, financial literacy is relatively weakly correlated with mathematics and reading performance. Around 53% of the financial literacy score reflects skills that can be measured in the mathematics and/or reading assessments (the OECD average is 62%), while 47% of the score reflects factors that are uniquely captured by the financial literacy assessment [Table IV.3.10a].
- Students in the participating Canadian provinces perform better in financial literacy than students around the world who perform similarly in mathematics and reading. This suggests that they may have developed financial literacy competencies beyond what they have learnt in mathematics and reading at school. About 55% of students in the Canadian provinces perform better in financial literacy than expected, given their scores in mathematics and reading [Table IV.3.11].

Mean performance in financial literacy

	Mean score	Range of ranks	Percentage of students Below Level 2	Level 5
OECD avg-10	489		22.3	11.8
B-S-J-G (China)	566	1 - 1	9.4	33.4
Belgium (Flemish)	541	2 - 3	12.0	24.0
Canadian provinces	533	2 - 3	12.7	21.8
Russia	512	4 - 5	10.9	10.5
Netherlands	509	4 - 6	19.2	17.5
Australia	504	5 - 6	19.7	15.4
United States	487	7 - 9	21.6	10.2
Poland	485	7 - 9	20.1	8.0
Italy	483	7 - 9	19.8	6.5
Spain	469	10 - 10	24.7	5.6
Lithuania	449	11 - 12	31.5	3.7
Slovak Republic	445	11 - 12	34.7	6.3
Chile	432	13 - 13	38.1	3.1
Peru	403	14 - 14	48.2	1.2
Brazil	393	15 - 15	53.3	2.6

Source: OECD, PISA 2015 Database, Figure IV.3.3 and Table IV.3.2.

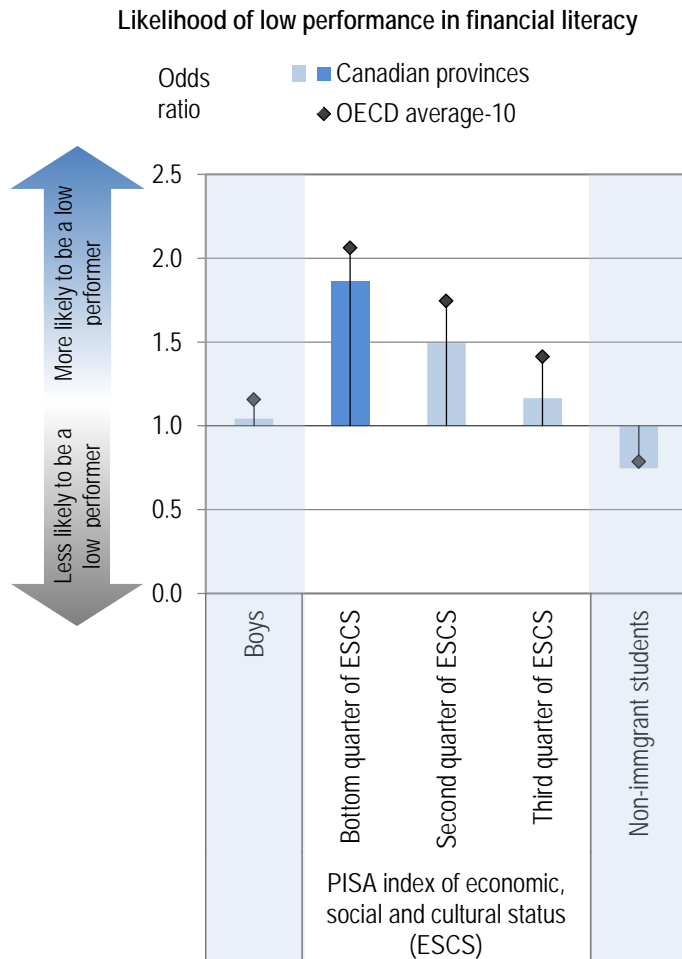
Notes: Partner countries and economies are marked in blue.

"Canadian provinces" refers to the seven provinces in Canada that participated in the PISA 2015 financial literacy assessment: British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario and Prince Edward Island.

B-S-J-G (China) refers to the four PISA-participating China provinces and municipalities: Beijing, Shanghai, Jiangsu and Guangdong.

Countries and economies are ranked in descending order of mean score.

How performance varies across student characteristics



Notes: After accounting for student characteristics and performance in mathematics and reading. Odds ratios that are statistically significant are marked in a darker tone.
Source: OECD, PISA 2015 Database, Table IV.4.25a.

- In the participating Canadian provinces, boys and girls score at the same level in financial literacy, on average [Table IV.4.5], but there are slightly more boys than girls among low performers [Table IV.4.7].
- Some 7% of the variation in student performance in financial literacy in the participating Canadian provinces is associated with socio-economic status (10% on average across OECD countries and economies) [Table IV.4.12].
- The participating Canadian provinces combine above-average performance and below-average strength of the association between performance and socio-economic status [Figure IV.4.7].
- Socio-economically advantaged students (those in the highest 25% of socio-economic status) score 77 points higher in financial literacy than disadvantaged students (those in the lowest 25% of socio-economic status) (OECD average difference: 89 score points) [Table IV.4.11].
- Disadvantaged students are 86% more likely than advantaged students to perform below Level 2 in financial literacy, after accounting for student characteristics and performance in mathematics and reading [Table IV.4.25a].
- Some 34% of students who participated in the 2015 financial literacy assessment in the participating Canadian provinces are foreign-born or have foreign-born parents [Table IV.4.17]. Non-immigrant students in the participating Canadian provinces score at the same level as students who are foreign-born or have foreign-born parents [Table IV.4.18].

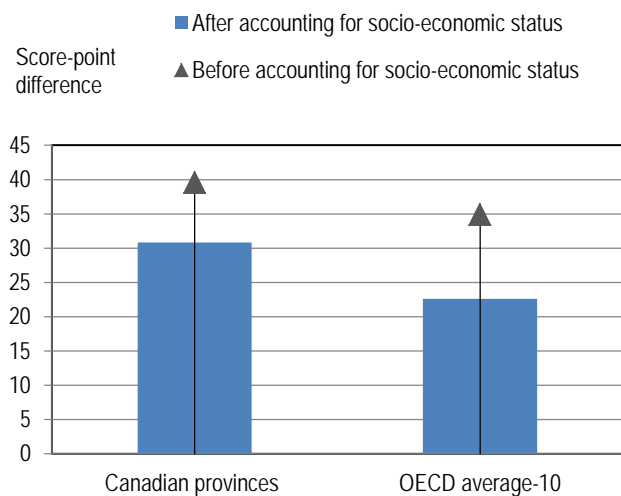
Formal financial education

- In Canada, financial literacy components are included in different subjects and to different extents in the various Canadian provinces. In most of the provinces that participated in the PISA 2015 financial literacy assessment, financial literacy is part of the high school curriculum within mathematics, career exploration/development, business or social studies.

Students' experience with money and their financial literacy

- In the participating Canadian provinces, 78% of 15-year-old students have a bank account [Table IV.5.8].
- Students in the participating Canadian provinces who hold a bank account score 40 points higher in financial literacy than students who do not, and 31 points higher after accounting for socio-economic status [Table IV.5.13].
- In the participating Canadian provinces, socio-economically advantaged students are as likely as disadvantaged students to hold a bank account [Table IV.5.11].
- Students in the participating Canadian provinces who earn money from working outside school hours (e.g. a holiday job, part-time work) are more than four times as likely to hold a bank account as students who do not work outside school hours [Table IV.5.11].
- Some 90% of students in the participating Canadian provinces receive gifts of money from friends or relatives, 72% receive pocket money, 55% earn money from occasional informal jobs, such as babysitting or gardening, and 47% earn money from working outside school hours (e.g. a holiday job or part-time work) [Table IV.5.15].
- Some 87% of students in the participating Canadian provinces discuss money matters with their parents at least once a month [Table IV.5.1].

Score-point difference between students who hold a bank account and students who do not



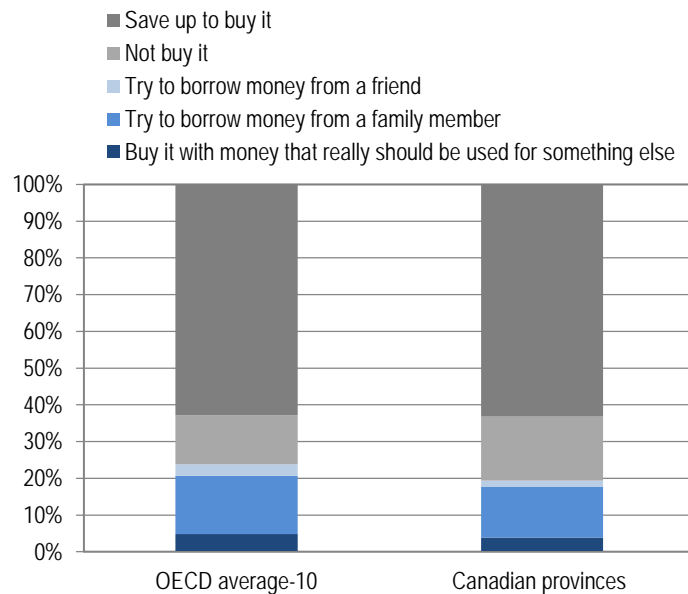
Note: All differences in this figure are statistically significant.
Source: OECD, PISA 2015 Database, Figure IV.5.5.

Legal framework for young people's access to financial products

- In Canada, the ability of minors to access savings and current accounts varies by financial institution and by province.

Students' financial literacy and behaviour

If you don't have enough money to buy something you really want (e.g. an item of clothing, sports equipment) what are you most likely to do?



Source: OECD, PISA 2015 Database, Figure IV.6.1.

- In the Canadian provinces, 63% of students reported that they would save if they want to buy something for which they do not have enough money (OECD average: 63%) [Table IV.6.1].
- Some 52% of students in the Canadian provinces reported that they save each week or month, 17% save only when they have money to spare, and 20% save only when they want to buy something. Few students (4%) reported that they do not save any money [Table IV.6.4].
- Advantaged students in the Canadian provinces were more likely than disadvantaged students to report that they save varying amounts each week or month [Table IV.6.5].

What results from the PISA 2015 financial literacy assessment imply for policy

From buying mobile phone credit to deciding how to spend pocket money, young people commonly make financial decisions. Fifteen-year-olds are starting to encounter situations where they need to set their spending priorities, be aware of ongoing costs, and be alert to potential scams. They will soon have to make decisions with long-term financial consequences.

The PISA 2015 financial literacy assessment highlights some general policy suggestions for all the countries and economies participating in PISA, including:

- Address the needs of low-performing students.
- Tackle socio-economic inequalities early on.
- Provide equal opportunities for learning to boys and girls.
- Help students make the most of available learning opportunities at school.
- Target parents at the same time as young people.
- Provide young people with safe opportunities to learn by experience outside of school.
- Evaluate the impact of initiatives in and outside of school.

What is PISA?

The Programme for International Student Assessment (PISA) is a triennial survey that assesses the readiness of 15-year-old students for life beyond compulsory education by collecting and analysing test and questionnaire data about students' knowledge, skills and the context in which they live and learn. It thus provides a comprehensive set of cross-country comparative data that policy makers and other stakeholders can use to make evidence-based decisions.

Key features of the PISA 2015 assessment of financial literacy

The PISA 2015 assessment of financial literacy was the second of its kind. Fifteen countries and economies participated in the 2015 assessment, including 10 OECD countries and economies: Australia, the Flemish Community of Belgium, seven provinces in Canada (British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario and Prince Edward Island), Chile, Italy, the Netherlands, Poland, the Slovak Republic, Spain and the United States; and five partner countries and economies: Brazil, four provinces/municipalities in China (Beijing, Shanghai, Jiangsu, Guangdong), Lithuania, Peru and the Russian Federation. Eight countries/economies participated in both the 2012 and 2015 assessments: Australia, the Flemish Community of Belgium, Italy, Poland, the Russian Federation, the Slovak Republic, Spain and the United States.

The assessment

- Financial literacy was assessed through a computer-based test. Students assessed in financial literacy also completed the assessments of mathematics, reading and science.
- Test questions were a mixture of multiple-choice questions and those requiring students to construct their own responses. The items were organised in groups based on a passage setting out a real-life situation. Sample items can be explored on line at <http://www.oecd.org/pisa/test>.
- Students who sat the assessment of financial literacy also answered questions about their experience with money, as well as the PISA student questionnaire about themselves, their homes, and their school and learning experiences. School principals completed a questionnaire that covered the school system and the learning environment.

The students

- Among the students who participated in the core PISA 2015 assessment of science, reading and mathematics, a subsample of students was randomly selected to sit the financial literacy test. In general, about 11 students were chosen at random in each participating school to sit the financial literacy assessment; the financial literacy assessment was conducted in a separate session after the core assessment. This is different from the sample design adopted in 2012, when, in sampled schools, two separate student samples sat the financial literacy test and the core PISA assessment.
- Around 48 000 students were assessed in financial literacy in 2015, representing about 12 million 15-year-olds in the schools of the 15 participating countries and economies.
- In the Canadian provinces that participated in the financial literacy assessment (British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario and Prince Edward Island), 13 082 students completed the PISA 2015 assessment; of these, 3 409 students were assessed in financial literacy.

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For more information on PISA and to access the full set of PISA 2015 results, visit: www.oecd.org/pisa

For more information on the OECD work on financial education, visit: www.financial-education.org